

# House File 498 - Introduced

HOUSE FILE \_\_\_\_\_  
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Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to energy, establishing the Iowa energy  
2 independence office, the Iowa power fund, making related  
3 changes consistent with energy efficiency, and making  
4 appropriations.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TLSS 2465YH 82  
7 rn/es/88

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1 1 Section 1. NEW SECTION. 7B.1 IOWA ENERGY INDEPENDENCE  
1 2 ACT.  
1 3 This chapter shall be known and may be cited as the "Iowa  
1 4 Energy Independence Act".  
1 5 Sec. 2. NEW SECTION. 7B.2 DEFINITIONS.  
1 6 1. "Alternative and renewable energy" means energy sources  
1 7 including but not limited to solar, wind turbine, waste  
1 8 management, resource recovery, refuse-derived fuel,  
1 9 agricultural crops or residues, and woodburning or coal  
1 10 burning, or relating to fuel development and distribution and  
1 11 alternative methods of propulsion including but not limited to  
1 12 biodiesel, biodiesel blended fuel, and ethanol.  
1 13 2. "Council" means the Iowa energy independence advisory  
1 14 council established in section 7B.6.  
1 15 3. "Director" means the director of the Iowa energy  
1 16 independence office established in section 7B.4.  
1 17 4. "Green building design standards" means standards which  
1 18 conform to the United States green building council leadership  
1 19 in energy and environmental design green building rating  
1 20 standard, referred to as the silver standard.  
1 21 Sec. 3. NEW SECTION. 7B.3 PURPOSE.  
1 22 The purpose for establishing the Iowa energy independence  
1 23 Act is to enhance the qualify of life of the citizens of this  
1 24 state through increasing the autonomy of the state as a  
1 25 self-sufficient source of nonresource-depleting alternative or  
1 26 renewable energy, the independence of the state from reliance  
1 27 upon outside sources of energy, and the efficiency of the  
1 28 state in maximizing opportunities to achieve energy efficiency  
1 29 through energy conservation measures and practices and  
1 30 economic growth and new job creation.  
1 31 Sec. 4. NEW SECTION. 7B.4 IOWA ENERGY INDEPENDENCE  
1 32 OFFICE == APPROPRIATION.  
1 33 1. An Iowa energy independence office is established to  
1 34 accomplish the purpose stated in section 7B.3. The director  
1 35 of the office shall be appointed by the governor, subject to  
2 1 confirmation by the senate, and shall serve at the pleasure of  
2 2 the governor. If the office of the director becomes vacant,  
2 3 the vacancy shall be filled in the same manner as provided for  
2 4 the original appointment. The director shall serve as the  
2 5 governor's advisor regarding state energy policy. The  
2 6 director may hire a deputy director and support staff, subject  
2 7 to the appropriation in subsection 3.  
2 8 2. The director shall be responsible for coordinating the  
2 9 following:  
2 10 a. Activities of the Iowa energy independence advisory  
2 11 council established in section 7B.6.

2 12 b. All programs relating to energy independence in this  
2 13 state which receive state appropriations.

2 14 c. State agency opportunities to identify and secure  
2 15 federal, state, private, and nonprofit foundation funding for  
2 16 energy efficiency, alternative and renewable energy, and  
2 17 advanced technology energy research projects and to coordinate  
2 18 use of such funds.

2 19 d. Consultation with congressional delegations regarding  
2 20 federal energy policy, grant criteria, and fund allocation to  
2 21 ensure that this state receives an appropriate share of  
2 22 federal funding.

2 23 e. Assistance to local governments, small businesses, and  
2 24 community-based organizations in the identification and  
2 25 securing of federal, state, private, and nonprofit foundation  
2 26 funding for energy efficiency, alternative and renewable  
2 27 energy development, energy research, and other related energy  
2 28 projects.

2 29 f. Preparation of the Iowa energy independence plan as  
2 30 provided in section 7B.5.

2 31 g. Making presentations to private investors, nonprofit  
2 32 foundations, and industry associations on state programs for  
2 33 new alternative and renewable energy technologies and  
2 34 investment opportunities in research and technology  
2 35 deployment.

3 1 h. Formulation of recommendations to the governor and the  
3 2 general assembly regarding changes in programs, policies,  
3 3 legislation, and administrative rules that may enhance state  
3 4 energy independence efforts, including the elimination of  
3 5 programs or transfer of programs to another agency.

3 6 i. Assistance with administration of the Iowa power fund  
3 7 created in section 15J.1.

3 8 3. There is annually appropriated from the general fund of  
3 9 the state to the Iowa energy independence office the sum of  
3 10 two hundred fifty thousand dollars, to be utilized for  
3 11 salaries, support, maintenance, and miscellaneous purposes in  
3 12 connection with the office. Notwithstanding section 8.33,  
3 13 moneys appropriated in this section that remain unencumbered  
3 14 or unobligated at the close of the fiscal year shall not  
3 15 revert but shall remain available for expenditure for the  
3 16 purposes designated until the close of the succeeding fiscal  
3 17 year.

3 18 Sec. 5. NEW SECTION. 7B.5 IOWA ENERGY INDEPENDENCE PLAN.  
3 19 An Iowa energy independence plan shall be developed by the  
3 20 director in association with public and private partners  
3 21 selected by the director and with the assistance of the Iowa  
3 22 energy independence advisory council established in section  
3 23 7B.6. The goal of the plan shall be to achieve energy  
3 24 independence from foreign sources of energy by 2025. The  
3 25 first plan shall be submitted to the governor and the members  
3 26 of the general assembly by December 15, 2007, with subsequent  
3 27 plans to be submitted every five years thereafter, or more  
3 28 often if deemed necessary by the director. The plan shall  
3 29 identify how the state can accomplish the following:

3 30 1. Maximizing use of emerging technologies to enhance  
3 31 energy efficiency and conservation and develop alternative and  
3 32 renewable energy sources.

3 33 2. Enhancing the development of the state's bioeconomy  
3 34 including but not limited to state-based bioengineering and  
3 35 biorefining.

4 1 3. Encouraging private industry to invest in the  
4 2 development of the state's bioeconomy including but not  
4 3 limited to the design, production, maintenance, and repair of  
4 4 state-based facilities.

4 5 4. Balancing the interests of crop, biomass, livestock  
4 6 producers, biofuel, and other bioproduct manufacturers,  
4 7 consistent with sustainable land use, clean air, and clean  
4 8 water practices.

4 9 5. Specifying the road, rail, pipeline, and other  
4 10 infrastructure modifications needed to enhance state energy  
4 11 independence efforts.

4 12 6. Determining regulatory changes, including utility  
4 13 renewable power standards, greenhouse gas emission standards,  
4 14 building code standards, green building design standards,  
4 15 improved compliance and enforcement, elimination of  
4 16 unnecessary rules, and streamlined permitting that may enhance  
4 17 state energy independence efforts consistent with sustainable  
4 18 land use, clean air and clean water practices, and  
4 19 enforcement.

4 20 7. Structuring public and private education policies  
4 21 including curriculum, research assistance, and coordination of  
4 22 research among institutions and private industry that may

4 23 enhance state energy independence efforts.  
4 24 8. Reviewing and assessing the effectiveness of state  
4 25 programs, including financial assistance programs and tax  
4 26 policies, in enhancing state energy independence efforts.  
4 27 Sec. 6. NEW SECTION. 7B.6 IOWA ENERGY INDEPENDENCE  
4 28 ADVISORY COUNCIL ESTABLISHED == MEMBERSHIP == DUTIES.  
4 29 1. An Iowa energy independence advisory council is created  
4 30 to assist the director in developing the Iowa energy  
4 31 independence plan and to provide public energy education and  
4 32 outreach. The council shall oversee and coordinate state  
4 33 agency energy efficiency and conservation efforts, in  
4 34 recognition of the relative amount of goods and services  
4 35 consumed by state government and the desirability of state  
5 1 agencies leading by example in those efforts.  
5 2 2. The council shall initially consist of seven members  
5 3 appointed by the governor, subject to confirmation by the  
5 4 senate, with additional members as may be appointed by the  
5 5 governor, provided that the total number of members shall be  
5 6 an odd number. The members shall be as follows:  
5 7 a. One member representing the department of natural  
5 8 resources.  
5 9 b. One member representing the department of economic  
5 10 development.  
5 11 c. One member representing the department of  
5 12 administrative services.  
5 13 d. One member representing the department of public  
5 14 safety.  
5 15 e. One member representing the Iowa energy center.  
5 16 f. One member representing the Iowa utilities board.  
5 17 g. One member representing the office of the consumer  
5 18 advocate.  
5 19 The Iowa energy independence office shall provide staffing  
5 20 support to the council.  
5 21 3. The council shall advise the director regarding the  
5 22 following:  
5 23 a. Iowa energy independence plan development and  
5 24 administration of the Iowa power fund created in section  
5 25 15J.1.  
5 26 b. Status and results of the annual submission by each  
5 27 state agency of the energy efficiency and conservation plan  
5 28 required pursuant to subsection 4.  
5 29 c. Recommendations for programs that encourage greater  
5 30 consumer acceptance of biofuels, energy efficiency, and  
5 31 conservation.  
5 32 d. Recommendations for a public education and awareness  
5 33 campaign to ensure that all state citizens can benefit from  
5 34 new alternative and renewable energy programs, products, and  
5 35 investments.  
6 1 e. Creation of a smart schools and smart communities  
6 2 program to increase the awareness of school districts and  
6 3 local governments regarding energy efficiency measures to save  
6 4 money and reduce their overall energy consumption.  
6 5 4. Each state agency shall submit to the council on an  
6 6 annual basis an energy efficiency and conservation plan  
6 7 documenting efforts to reduce the agency's overall energy  
6 8 consumption amount or rate, and outlining steps being taken by  
6 9 the agency to achieve the goal of purchasing at least  
6 10 twenty-five percent of the agency's electric power from  
6 11 alternative and renewable energy production facilities. The  
6 12 council shall by rule establish plan components and annual  
6 13 submission dates, and after completion of plan reviews shall  
6 14 provide feedback and make recommendations to agencies  
6 15 regarding progress to date and suggestions for plan  
6 16 modifications or changes in the future.  
6 17 Sec. 7. Section 8A.321, Code 2007, is amended by adding  
6 18 the following new subsection:  
6 19 NEW SUBSECTION. 16. Review contracts for the acquisition,  
6 20 construction, erection, alteration, or repair of buildings and  
6 21 grounds for use by state agencies pursuant to this section to  
6 22 ensure compliance with state building code modifications and  
6 23 green building design standards incorporated into the Iowa  
6 24 energy independence plan pursuant to section 7B.5, subsection  
6 25 6.  
6 26 Sec. 8. Section 8A.362, subsection 5, unnumbered paragraph  
6 27 1, Code 2007, is amended to read as follows:  
6 28 ~~Of all~~ All new passenger vehicles and light pickup trucks  
6 29 purchased by the director, ~~a minimum of ten percent of all~~  
~~such vehicles and trucks purchased~~ shall be equipped with  
6 31 engines which utilize alternative methods of propulsion  
6 32 including but not limited to any of the following:  
6 33 Sec. 9. Section 8A.362, subsection 9, Code 2007, is

6 34 amended to read as follows:

6 35 9. a. All fuel used in state-owned automobiles shall be  
7 1 purchased at cost from the various installations or garages of  
7 2 the state department of transportation, state board of  
7 3 regents, department of human services, or state motor pools  
7 4 throughout the state, unless the state-owned sources for the  
7 5 purchase of fuel are not reasonably accessible. If the  
7 6 director determines that state-owned sources for the purchase  
7 7 of fuel are not reasonably accessible, the director shall  
7 8 authorize the purchase of fuel from other sources. The  
7 9 director may prescribe a manner, other than the use of the  
7 10 revolving fund, in which the purchase of fuel from state-owned  
7 11 sources is charged to the state agency responsible for the use  
7 12 of the motor vehicle. The director shall prescribe the manner  
7 13 in which oil and other normal motor vehicle maintenance for  
7 14 state-owned motor vehicles may be purchased from private  
7 15 sources, if they cannot be reasonably obtained from a state  
7 16 motor pool. The director may advertise for bids and award  
7 17 contracts in accordance with competitive bidding procedures  
7 18 for items and services as provided in this subchapter for  
7 19 furnishing fuel, oil, grease, and vehicle replacement parts  
7 20 for all state-owned motor vehicles. The director and other  
7 21 state agencies, when advertising for bids for gasoline, shall  
7 22 also seek bids for ethanol blended gasoline.

7 23 b. Installations or garages of the state department of  
7 24 transportation, state board of regents, department of human  
7 25 services, or state motor pools throughout the state, shall be  
7 26 equipped with motor fuel storage and dispensing infrastructure  
7 27 in the form of a tank and motor fuel pumps necessary to keep  
7 28 and dispense E-85 gasoline by 2009. The department shall by  
7 29 rule establish E-85 gasoline usage standards applicable to  
7 30 state employees driving or operating state-owned vehicles and  
7 31 trucks other than vehicles and trucks purchased and directly  
7 32 used for law enforcement or purchased and used for off-road  
7 33 maintenance work or to pull loaded trailers.

7 34 Sec. 10. Section 15.103, subsection 1, paragraph a, Code  
7 35 2007, is amended to read as follows:

8 1 a. The Iowa economic development board is created,  
8 2 consisting of fifteen voting members appointed by the governor  
8 3 and ~~seven~~ eight ex officio, nonvoting members. The ex  
8 4 officio, nonvoting members are four legislative members; one  
8 5 president, or the president's designee, of the university of  
8 6 northern Iowa, the university of Iowa, or Iowa state  
8 7 university of science and technology designated by the state  
8 8 board of regents on a rotating basis; and one president, or  
8 9 the president's designee, of a private college or university  
8 10 appointed by the Iowa association of independent colleges and  
8 11 universities; ~~and~~ one superintendent, or the superintendent's  
8 12 designee, of a community college, appointed by the Iowa  
8 13 association of community college presidents; and the director  
8 14 of the Iowa energy independence office established in section  
8 15 7B.4. The legislative members are two state senators, one  
8 16 appointed by the president of the senate, after consultation  
8 17 with the majority leader of the senate, and one appointed by  
8 18 the minority leader of the senate, after consultation with the  
8 19 president of the senate, from their respective parties; and  
8 20 two state representatives, one appointed by the speaker and  
8 21 one appointed by the minority leader of the house of  
8 22 representatives from their respective parties. Not more than  
8 23 eight of the voting members shall be from the same political  
8 24 party. Beginning with the first appointment to the board made  
8 25 after July 1, 2005, at least one voting member shall have been  
8 26 less than thirty years of age at the time of appointment. The  
8 27 governor shall appoint the voting members of the board for a  
8 28 term of four years beginning and ending as provided by section  
8 29 69.19, subject to confirmation by the senate, and the  
8 30 governor's appointments shall include persons knowledgeable of  
8 31 the various elements of the department's responsibilities.

8 32 Sec. 11. NEW SECTION. 15J.1 IOWA POWER FUND.

8 33 1. An Iowa power fund is created in the state treasury  
8 34 under the control of the department of economic development  
8 35 consisting of moneys appropriated to the department. Moneys  
9 1 in the fund are not subject to section 8.33. Notwithstanding  
9 2 section 12C.7, interest or earnings on moneys in the fund  
9 3 shall be credited to the fund. The fund shall be administered  
9 4 by the department, which shall make expenditures from the fund  
9 5 consistent with this section and pertinent Acts of the general  
9 6 assembly in coordination with the director of the Iowa energy  
9 7 independence office established in section 7B.4, and with the  
9 8 assistance of the Iowa energy independence advisory council  
9 9 established in section 7B.6.

9 10 2. The purpose of the fund shall be to provide  
9 11 distributions facilitating new investment opportunities and  
9 12 the creation of new jobs in industries involved with  
9 13 alternative and renewable energy development or production.  
9 14 For purposes of this section, "alternative and renewable  
9 15 energy" means the same as defined in section 7B.2.  
9 16 3. The department, in consultation with the director of  
9 17 the Iowa energy independence office and the Iowa energy  
9 18 independence advisory council, shall adopt rules specifying a  
9 19 request for proposals process for making fund distributions to  
9 20 applicants from private sector businesses located in this  
9 21 state pledging to invest in the creation or enhancement of  
9 22 alternative or renewable energy research, production  
9 23 facilities, and jobs. Distributions shall commence by  
9 24 December 2007. Applicants shall commit to the following:  
9 25 a. Assurance that state funding received shall be matched  
9 26 by the applicant for venture capital and business start-up  
9 27 expenses.  
9 28 b. Provision of sufficient wages and benefits to employees  
9 29 to provide an incentive to attract and retain qualified  
9 30 employees.  
9 31 c. Investment and expansion of existing or future  
9 32 management functions and manufacturing plant locations in this  
9 33 state, to the extent applicable.  
9 34 4. The department may reclaim any state funds invested if  
9 35 the commitments set forth in subsection 3 are not honored by  
10 1 an applicant receiving a distribution from the fund, pursuant  
10 2 to procedures to be adopted by rule.

10 3 Sec. 12. NEW SECTION. 15J.2 IOWA POWER FUND ==  
10 4 APPROPRIATION.

10 5 There is appropriated from the general fund of the state  
10 6 for each year of the fiscal period beginning July 1, 2007, and  
10 7 ending June 30, 2011, to the department of economic  
10 8 development the sum of twenty-five million dollars to be  
10 9 deposited in the Iowa power fund and used for fund  
10 10 distributions as provided in section 15J.1. Notwithstanding  
10 11 section 8.33, moneys appropriated in this section that remain  
10 12 unencumbered or unobligated at the close of the fiscal year  
10 13 shall not revert but shall remain available for expenditure  
10 14 for the purposes designated until the close of the succeeding  
10 15 fiscal year.

10 16 Sec. 13. Section 476.6, subsection 14, Code 2007, is  
10 17 amended to read as follows:

10 18 14. ENERGY EFFICIENCY PLANS. ~~Electric and gas public~~  
~~10 19 utilities Gas and electric utilities required to be~~  
~~10 20 rate-regulated under this chapter, electric public utilities~~  
~~10 21 having fewer than ten thousand customers or electric~~  
~~10 22 cooperative corporations and associations subject to~~  
~~10 23 regulatory action by the board pursuant to section 476.1A, and~~  
~~10 24 municipally owned utilities furnishing electricity subject to~~  
~~10 25 regulatory action by the board pursuant to section 476.1B.~~  
10 26 shall offer energy efficiency programs to their customers  
10 27 through energy efficiency plans. An energy efficiency plan as  
10 28 a whole shall be cost-effective. In determining the  
10 29 cost-effectiveness of an energy efficiency plan, the board  
10 30 shall apply the societal test, utility cost test, rate-payer  
10 31 impact test, and participant test. Energy efficiency programs  
10 32 for qualified low-income persons and for tree planting  
10 33 programs need not be cost-effective and shall not be  
10 34 considered in determining cost-effectiveness of plans as a  
10 35 whole. The energy efficiency programs in the plans may be  
11 1 provided by the utility or by a contractor or agent of the  
11 2 utility.

11 3 Sec. 14. Section 476.6, subsections 16, 17, and 18, Code  
11 4 2007, are amended to read as follows:

11 5 16. ENERGY EFFICIENCY IMPLEMENTATION, COST REVIEW, AND  
11 6 COST RECOVERY.

11 7 a. ~~Gas and electric utilities required to be~~  
~~11 8 rate-regulated under this chapter~~ shall file energy efficiency  
11 9 plans with the board. For purposes of this subsection, "gas  
~~11 10 and electric utilities" means gas and electric utilities~~  
~~11 11 required to be rate-regulated under this chapter, electric~~  
~~11 12 public utilities having fewer than ten thousand customers or~~  
~~11 13 electric cooperative corporations and associations subject to~~  
~~11 14 regulatory action by the board pursuant to section 476.1A, or~~  
~~11 15 municipally owned utilities furnishing electricity subject to~~  
~~11 16 regulatory action by the board pursuant to section 476.1B.~~ An  
11 17 energy efficiency plan and budget shall include a range of  
11 18 programs, tailored to the needs of all customer classes,  
11 19 including residential, commercial, and industrial customers,  
11 20 for energy efficiency opportunities. The plans shall include

11 21 programs for qualified low-income persons including a  
11 22 cooperative program with any community action agency within  
11 23 the utility's service area to implement countywide or  
11 24 communitywide energy efficiency programs for qualified  
11 25 low-income persons. ~~Rate-regulated gas and electric utilities~~  
11 26 Gas and electric utilities shall utilize Iowa agencies and  
11 27 Iowa contractors to the maximum extent cost-effective in their  
11 28 energy efficiency plans filed with the board. Revised plans  
11 29 or updates providing information regarding activities and  
11 30 results shall be filed with the board at least every five  
11 31 years.

11 32 b. A gas and electric utility ~~required to be~~  
11 33 ~~rate-regulated under this chapter~~ shall assess potential  
11 34 energy and capacity savings available from actual and  
11 35 projected customer usage by applying commercially available  
12 1 technology and improved operating practices to energy-using  
12 2 equipment and buildings. The utility shall submit the  
12 3 assessment to the board. Upon receipt of the assessment, the  
12 4 board shall consult with the department of natural resources  
12 5 to develop specific capacity and energy savings performance  
12 6 standards for each utility. The utility shall submit an  
12 7 energy efficiency plan which shall include economically  
12 8 achievable programs designed to attain these energy and  
12 9 capacity performance standards.

12 10 c. The board shall conduct contested case proceedings for  
12 11 review of energy efficiency plans and budgets filed by gas and  
12 12 electric utilities ~~required to be rate-regulated under this~~  
12 13 ~~chapter~~. The board may approve, reject, or modify the plans  
12 14 and budgets. Notwithstanding the provisions of section  
12 15 17A.19, subsection 5, in an application for judicial review of  
12 16 the board's decision concerning a utility's energy efficiency  
12 17 plan or budget, the reviewing court shall not order a stay.  
12 18 Whenever a request to modify an approved plan or budget is  
12 19 filed subsequently by the office of consumer advocate or a gas  
12 20 or electric utility ~~required to be rate-regulated under this~~  
12 21 ~~chapter~~, the board shall promptly initiate a formal proceeding  
12 22 if the board determines that any reasonable ground exists for  
12 23 investigating the request. The formal proceeding may be  
12 24 initiated at any time by the board on its own motion.  
12 25 Implementation of board-approved plans or budgets shall be  
12 26 considered continuous in nature and shall be subject to  
12 27 investigation at any time by the board or the office of the  
12 28 consumer advocate.

12 29 d. Notice to customers of a contested case proceeding for  
12 30 review of energy efficiency plans and budgets shall be in a  
12 31 manner prescribed by the board.

12 32 e. A gas or electric utility ~~required to be rate-regulated~~  
12 33 ~~under this chapter~~ may recover, through an automatic  
12 34 adjustment mechanism filed pursuant to subsection 8, over a  
12 35 period not to exceed the term of the plan, the costs of an  
13 1 energy efficiency plan approved by the board, including  
13 2 amounts for a plan approved prior to July 1, 1996, in a  
13 3 contested case proceeding conducted pursuant to paragraph "c".  
13 4 The board shall periodically conduct a contested case  
13 5 proceeding to evaluate the reasonableness and prudence of the  
13 6 utility's implementation of an approved energy efficiency plan  
13 7 and budget. If a utility is not taking all reasonable actions  
13 8 to cost-effectively implement an approved energy efficiency  
13 9 plan, the board shall not allow the utility to recover from  
13 10 customers costs in excess of those costs that would be  
13 11 incurred under reasonable and prudent implementation and shall  
13 12 not allow the utility to recover future costs at a level other  
13 13 than what the board determines to be reasonable and prudent.  
13 14 If the result of a contested case proceeding is a judgment  
13 15 against a utility, that utility's future level of cost  
13 16 recovery shall be reduced by the amount by which the programs  
13 17 were found to be imprudently conducted. The utility shall not  
13 18 represent energy efficiency in customer billings as a separate  
13 19 cost or expense unless the board otherwise approves.

13 20 f. A ~~rate-regulated~~ utility required to submit an energy  
13 21 efficiency plan under this subsection shall, upon the request  
13 22 of a state agency or political subdivision to which it  
13 23 provides service, provide advice and assistance regarding  
13 24 measures which the state agency or political subdivision might  
13 25 take in achieving improved energy efficiency results. The  
13 26 cooperation shall include assistance in accessing financial  
13 27 assistance for energy efficiency measures.

13 28 17. FILING OF FORECASTS. The board shall periodically  
13 29 require each ~~rate-regulated~~ gas or electric public utility to  
13 30 file a forecast of future gas requirements or electric  
13 31 generating needs and the board shall evaluate the forecast.

13 32 For purposes of this subsection, "gas or electric public  
13 33 utility" means a gas and electric utility required to be  
13 34 rate-regulated under this chapter, an electric public utility  
13 35 having fewer than ten thousand customers or an electric  
14 1 cooperative corporation and association subject to regulatory  
14 2 action by the board pursuant to section 476.1A, or a  
14 3 municipally owned utility furnishing electricity subject to  
14 4 regulatory action by the board pursuant to section 476.1B.  
14 5 The forecast shall include, but is not limited to, a forecast  
14 6 of the requirements of its customers, its anticipated sources  
14 7 of supply, and its anticipated means of addressing the  
14 8 forecasted gas requirements or electric generating needs.  
14 9 18. ENERGY EFFICIENCY PROGRAM FINANCING. The board may  
14 10 require each ~~rate-regulated~~ gas or electric public utility to  
14 11 offer qualified customers the opportunity to enter into an  
14 12 agreement for the amount of moneys reasonably necessary to  
14 13 finance cost-effective energy efficiency improvements to the  
14 14 qualified customers' residential dwellings or businesses. ~~For~~  
14 15 purposes of this subsection, "gas or electric public utility"  
14 16 means a gas and electric utility required to be rate-regulated  
14 17 under this chapter, an electric public utility having fewer  
14 18 than ten thousand customers or an electric cooperative  
14 19 corporation and association subject to regulatory action by  
14 20 the board pursuant to section 476.1A, or a municipally owned  
14 21 utility furnishing electricity subject to regulatory action by  
14 22 the board pursuant to section 476.1B.

14 23 Sec. 15. Section 476.10A, subsection 1, Code 2007, is  
14 24 amended to read as follows:  
14 25 1. a. The board shall direct all gas and electric  
14 26 utilities to remit to the treasurer of state ~~one-tenth~~  
14 27 ~~two-tenths~~ of one percent of the total gross operating  
14 28 revenues during the last calendar year derived from their  
14 29 intrastate public utility operations. The board shall by rule  
14 30 provide a schedule for remittances.

14 31 b. The amounts collected pursuant to this section shall be  
14 32 in addition to the amounts permitted to be assessed pursuant  
14 33 to section 476.10. The board shall allow inclusion of these  
14 34 amounts in the budgets approved by the board pursuant to  
14 35 section 476.6, subsection 16, paragraph "c".

15 1 c. (1) Eighty-five percent of the remittances collected  
15 2 pursuant to this section is appropriated to the Iowa energy  
15 3 center created in section 266.39C. Of the amount appropriated  
15 4 pursuant to this subparagraph:

15 5 (a) Forty-three percent shall be utilized as determined by  
15 6 the director of the center, in consultation with the advisory  
15 7 council established in section 266.39C, subsection 2.

15 8 (b) Forty-two percent shall be utilized for research to  
15 9 assess the technological requirements, design components, and  
15 10 operation of commercial-scale biorefineries that maximize the  
15 11 number of fuels, chemicals, and other products that may be  
15 12 produced from plant materials.

15 13 (c) Of the amount appropriated pursuant to subparagraph  
15 14 subdivision (b), the sum of six hundred thousand dollars shall  
15 15 be allocated each year for the fiscal period beginning July 1,  
15 16 2007, and ending June 30, 2009, to the alternative energy  
15 17 revolving loan program created in section 476.46.

15 18 (d) Up to five percent of the amount appropriated pursuant  
15 19 to subparagraph subdivisions (a) and (b) may be used for  
15 20 administrative costs of the Iowa energy center.

15 21 (2) Fifteen percent of the remittances collected pursuant  
15 22 to this section is appropriated to the center for global and  
15 23 regional environmental research established by the state board  
15 24 of regents.

15 25 Sec. 16. Section 562A.13, subsection 4, Code 2007, is  
15 26 amended to read as follows:

15 27 4. The landlord or any person authorized to enter into a  
15 28 rental agreement on the landlord's behalf shall fully explain  
15 29 utility rates, charges, and services to the prospective tenant  
15 30 before entering into the rental agreement is signed unless,  
15 31 For any utility providing heat to the premises that is paid by  
15 32 the tenant directly to the utility company, the landlord shall  
15 33 provide the prospective tenant the monthly budget billing  
15 34 amount charged by the utility for providing heat to the  
15 35 premises and the amount of the highest monthly bill charged by  
16 1 the utility for providing heat to the premises from the most  
16 2 recent heating season.

16 3 EXPLANATION

16 4 This bill relates to energy planning, alternative and  
16 5 renewable energy development, and energy conservation.  
16 6 The bill establishes a new Code chapter 7B, entitled the  
16 7 "Iowa Energy Independence Act". The bill states that the

16 8 Act's objective is to enhance the qualify of life of Iowa  
16 9 citizens through increasing the autonomy of the state as a  
16 10 self=sufficient source of nonresource=depleting alternative or  
16 11 renewable energy, the independence of the state from reliance  
16 12 upon outside sources of energy, and the efficiency of the  
16 13 state in maximizing opportunities to achieve energy efficiency  
16 14 through energy conservation measures and practices and by  
16 15 providing economic growth and the creation of new jobs. The  
16 16 bill defines "alternative and renewable energy" as energy  
16 17 sources including but not limited to solar, wind turbine,  
16 18 waste management, resource recovery, refuse=derived fuel,  
16 19 agricultural crops or residues, and woodburning or coal  
16 20 burning, or relating to fuel development and distribution and  
16 21 alternative methods of propulsion including but not limited to  
16 22 biodiesel, biodiesel blended fuel, and ethanol.

16 23 The bill creates the Iowa energy independence office, and  
16 24 formed to achieve the Act's objectives. The bill provides  
16 25 that a director for the office shall be appointed by the  
16 26 governor, serve as the governor's energy policy advisor, and  
16 27 also serve as an ex officio, nonvoting member of the economic  
16 28 development board established in Code section 15.103. The  
16 29 bill specifies several duties for the director, including  
16 30 coordinating the activities of the Iowa energy independence  
16 31 advisory council as established in the bill, all programs  
16 32 relating to energy independence in the state which receive  
16 33 state appropriations, state agency opportunities to identify  
16 34 and secure energy=related funding, preparation of the Iowa  
16 35 energy independence plan provided for in the bill, formulating  
17 1 recommendations to the governor and the general assembly  
17 2 regarding enhancing state energy independence, and several  
17 3 other responsibilities. The bill appropriates \$250,000 from  
17 4 the general fund of the state to the office for administration  
17 5 of the Iowa energy independence office.

17 6 As indicated, the bill provides for the development of an  
17 7 Iowa energy independence plan for achieving independence from  
17 8 foreign sources of energy by 2025 by the director, in  
17 9 association with public and private partners selected by the  
17 10 director, and with the assistance of the Iowa energy  
17 11 independence advisory council. The bill identifies content  
17 12 areas for inclusion in the plan, and requires that the first  
17 13 plan be submitted to the governor and the members of the  
17 14 general assembly by December 15, 2007, with subsequent plans  
17 15 to be submitted at least every five years thereafter. Content  
17 16 areas include maximizing use of emerging technologies;  
17 17 enhancing development of the state's bioeconomy; encouraging  
17 18 private industry sector investment; balancing the interests of  
17 19 various potential alternative energy producers with  
17 20 sustainable land use, clean air, and clean water practices;  
17 21 specifying needed infrastructure modifications and regulatory  
17 22 changes; structuring public and private education policies;  
17 23 and reviewing and assessing the effectiveness of state  
17 24 programs, including financial assistance programs and tax  
17 25 policies, in enhancing state energy independence efforts.

17 26 The bill establishes an Iowa energy independence advisory  
17 27 council to assist the director in developing the Iowa energy  
17 28 independence plan, provide public energy education and  
17 29 outreach, and oversee and coordinate state agency energy  
17 30 efficiency and conservation efforts. Initial council  
17 31 membership shall consist of the representatives from the  
17 32 departments of natural resources, economic development,  
17 33 administrative services, and public safety and representatives  
17 34 from the Iowa energy center, the Iowa utilities board, and the  
17 35 office of the consumer advocate. Duties of the council shall  
18 1 include assisting with the development of the Iowa energy  
18 2 independence plan and administration of the Iowa power program  
18 3 established in the bill, summarizing the results of the annual  
18 4 submission by each state agency of an annual energy efficiency  
18 5 and conservation plan, and several other specified  
18 6 responsibilities. The bill provides that the annual plan  
18 7 submitted by each state agency shall document agency efforts  
18 8 to reduce the agency's overall energy consumption amount or  
18 9 rate, and outline steps being taken to achieve a goal of  
18 10 purchasing at least 25 percent of the agency's electric power  
18 11 from alternative and renewable energy production facilities.  
18 12 The bill directs the council to review the plans, provide  
18 13 feedback, and make recommendations to agencies regarding  
18 14 progress to date and suggestions for modifications or changes  
18 15 in the future.

18 16 The bill additionally establishes an Iowa power fund, to be  
18 17 administered by the department of economic development with  
18 18 the assistance of the director of the Iowa energy independence



18 19 office and the Iowa energy independence advisory council. The  
18 20 fund will provide distributions through a request for  
18 21 proposals process to be established by rule to facilitate new  
18 22 investment opportunities and the creation of new jobs in  
18 23 industries involved with alternative and renewable energy  
18 24 development or production. Distributions will begin by  
18 25 December 2007, and applicants must provide matching funds,  
18 26 commit to the provision of sufficient wages and benefits to  
18 27 attract and retain qualified employees, and pledge investment  
18 28 in and expansion of existing or future management functions  
18 29 and manufacturing plant locations in this state, to the extent  
18 30 applicable. The bill provides that the department may reclaim  
18 31 any state funds invested if the commitments made by applicants  
18 32 are not honored. The sum of \$25 million is appropriated to  
18 33 the fund each year for the fiscal period beginning July 1,  
18 34 2007, and ending June 30, 2011, for the purpose of providing  
18 35 distributions from the fund.

19 1 The bill makes several additional changes to existing Code  
19 2 sections relating to energy efficiency and conservation. The  
19 3 bill provides that the department of administrative services  
19 4 shall review a contract for the acquisition, construction,  
19 5 erection, alteration, or repair of buildings and grounds for  
19 6 use by state agencies to ensure compliance with state building  
19 7 code modifications and green building design standards  
19 8 incorporated into the Iowa energy independence plan. The bill  
19 9 also provides that a 10 percent fuel-efficiency requirement  
19 10 relating to the acquisition of new passenger vehicles and  
19 11 light pickup trucks for the state fleet by the department of  
19 12 administrative services shall be changed to a 100 percent  
19 13 requirement, and that installations or garages of the state  
19 14 department of transportation, state board of regents,  
19 15 department of human services, or state motor pools throughout  
19 16 the state shall be equipped with motor fuel storage and  
19 17 dispensing infrastructure in the form of a tank and motor fuel  
19 18 pumps necessary to keep and dispense E-85 gasoline by 2009.  
19 19 The bill requires the establishment of E-85 gasoline usage  
19 20 standards applicable to state employees driving or operating  
19 21 state-owned vehicles and trucks other than vehicles and trucks  
19 22 purchased and directly used for law enforcement or purchased  
19 23 and used for off-road maintenance work or to pull loaded  
19 24 trailers.

19 25 The bill adds nonregulated gas and electric utilities to  
19 26 the requirements for submission of energy efficiency plans for  
19 27 offering energy efficiency programs to customers, and related  
19 28 provisions, in Code section 476.6, and requires that the plans  
19 29 be submitted every five years to the Iowa utilities board.  
19 30 Additionally, the bill changes the amount that gas and  
19 31 electric utilities are required to remit to the treasurer of  
19 32 state for appropriation to the Iowa energy center created in  
19 33 Code section 266.39C from one-tenth of 1 percent of the total  
19 34 gross operating revenues during the preceding calendar year to  
19 35 two-tenths of 1 percent, and provides for changes in the  
20 1 allocations of the amounts appropriated. One of the changes  
20 2 in the allocations involves an allocation of \$600,000 each  
20 3 year of the fiscal period beginning July 1, 2007, and ending  
20 4 June 30, 2009, to the alternative energy revolving loan  
20 5 program created in Code section 476.46.

20 6 Finally, the bill requires landlords to provide certain  
20 7 information regarding utility heating bills for the premises  
20 8 offered for rent prior to entering into a rental agreement  
20 9 with a prospective tenant. A landlord or person authorized to  
20 10 enter into a rental agreement is required to provide a  
20 11 prospective tenant with the monthly budget billing amount  
20 12 charged by the utility that provides heat to the premises and  
20 13 the amount of the highest monthly bill charged by the utility  
20 14 from the most recent heating season for the premises.

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